

## Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 EA-09 NEA-10 ISO-00 ERDA-07 AID-05  
CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00 EB-07 FEAE-00  
FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01  
PM-04 USIA-15 OES-06 SP-02 SS-15 STR-04 TRSE-00  
ACDA-10 IO-13 /155 W  
-----291811Z 022319 /43

R 291515Z DEC 76  
FM AMEMBASSY LAGOS  
TO SECSTATE WASHDC 8444  
INFO AMEMBASSY NAIROBI  
AMEMBASSY LONDON  
AMEMBASSY NEW DELHI  
AMEMBASSY TOKYO

UNCLAS LAGOS 14426

E.O. 11652: NA  
TAGS: BENC, ENRG, KE, NI  
SUBJ: CONSULTANT THE SAME FOR NIGERIAN PIPELINE AND MOMBASA-NAIROBI  
PIPELINE

REF: LAGOS 14424 (NOTAL)

1. BRITISH FIRM PENCOL, WHICH OPERATES JOINTLY WITH SPENCER AND PARTNERS, AND HAS MAIN OFFICE AT 19 GROSVENOR PLACE, LONDON SW1, IS CONSULTANT TO FEDERAL MILITARY GOVERNMENT FOR 2,800 KILOMETERS OF PETROLEUM PRODUCT PIPELINES IN NIGERIA. IN ADDITION, ACCORDING TO DECEMBER PENCOL NEWSLETTER WHICH PETROLEUM OFFICER PICKED UP AT PENCOL'S LAGOS OFFICE, PENCOL WAS COMMISSIONED IN 1973 BY KENYA PIPELINE COMPANY LIMITED (KPCL) TO DO FEASIBILITY STUDY FOR MOMBASA-NAIROBI PETROLEUM PRODUCT PIPELINE, AND WAS SUBSEQUENTLY AWARDED CONTRACTS FOR DESIGN, ENGINEERING, CONSTRUCTION SUPERVISION AND COMMISSIONING OF PIPELINE.

2. ADDRESS MAY BE INTERESTED IN FOLLOWING BREAKDOWN OF CONTRACT  
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AWARDS ON MOMBASA-NAIROBI PIPELINE WHICH WAS CONTAINED IN PENCOL NEWSLETTER ARTICLE:

- A) SUPPLY AND ERECTION OF STORAGE TANKS TO VIJAY TANKS AND VESSELS OF BOMBAY, INDIA.
- B) SUPPLY OF MAIN PUMPS TO EBARA PUMPS OF JAPAN.
- C) SUPPLY OF MAINLINE PIPE TO NISSHO-IWAI OF JAPAN.

- D) MAIN CONSTRUCTION CONTRACT TO NIPPON KOKAN OF JANPAN, WHO SUB-CONTRACTED PIPELINE CONSTRUCTION TO ZAKHEM ENGINEERS OF LEBANON.
- E) ANCILLARY PUMPS TO INGERSOLL-RANK OF BRITAIN.
- F) WRAPPING MATERIALS TO JOHNS-MANVILLE OF USA.
- G) COATING MATERIAL TO METROTECT OF BRITAIN.
- H) VALVES AND FITTINGS TO VARIOUS JAPANESE SUPPLIERS.
- I) TELEMETRY EQUIPMENT SUPPLY AND INSTALLATION TO YAMATAKE HONEYWELL OF JAPAN.
- J) COMMUNICATIONS EQUIPMENT SUPPLY AND INSTALLATION TO ANRITSU OF JAPAN.

3. FINANCING OF MAIN CONSTRUCTION CONTRACT AND MATERIALS CONTRACTS PLACED WITH JAPANESE FIRMS WAS COMBINED IN OVERALL FINANCIAL PACKAGE UNDER AEGIS OF NISSHO-IWAI TRADING COMPANY. MAINLINE PIPE AND TELEMETRY CONTRACTS FINANCED BY IBRD. INDIAN TANKS FINANCED BY INDUSTRIAL DEVELOPMENT BANK OF INDIA. ITEMS FROM BRITAIN FINANCED BY ECGD. GOVERNMENT OF KENYA FINANCING CERTAIN LOCAL EXPENSES IN FORM OF EQUITY CONTRIBUTION, WHILE OTHER LOCAL COSTS BEING FUNDED BY BANK LOANS RAISED IN KENYA BY KPCL.

4. ACCORDING PENCOL NEWSLETTER, FIRST 140 KILOMETERS OF RIGHT OF WAY CLEARED, AND DITCHING AND STRINGING PIPE JUST BEGUN. SOME FOUNDATION WORK DONE ON MOMBASA PUMP STATION AND NAIROBI TERMINAL. TANK MANUFACTURED UNDERWAY IN BOMBAY WITH PLATES DUE TO BE SHIPPED SOON. NEARLY ALL 28,000 TONS OF MAINLINE PIPE NOW IN DUMPS ALONG PIPELINE ROUTE. PUMPS, SWITCHGEAR AND VALVES UNDER MANUFACTURE IN JAPAN. PENCOL EXPECTS CONSTRUCTION TO BE COMPLETED JUNE 1977, OPERATION UNCLASSIFIED

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TO BEGIN BEFORE END-1977  
EASUM

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PIPELINES, CONSULTANTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**TAGS:** BENC, ENRG, KE, NI  
**To:** STATE  
**Type:** TE  
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